

IN THE SUPERIOR COURT
OF THE DISTRICT OF COLUMBIA

WILLIE LEE HOWARD
227 34th Street NE
Washington, DC 20019

Plaintiff,

v.

COUNTRYWIDE HOME LOANS, INC.
4500 Park Granada
Calabasas, CA 91302,

EQUITABLE MORTGAGE GROUP, INC.
7305 Baltimore Avenue, Suite 207
College Park, Maryland 20740,

INDYMAC BANK, F.S.B.
888 East Walnut Street
Pasadena, CA 19901,

WILLIAM MASON
7305 Baltimore Avenue, Suite 207
College Park, MD 20740,

MORTGAGE DISCOUNTERS, INC., d/b/a
PREMIER FUNDING GROUP
7535 Little River Turnpike
Annandale, VA 22203,

WASHINGTON MUTUAL BANK, F.S.B.,
1201 Third Avenue
Seattle, WA 98101,

WMC MORTGAGE CORPORATION
3100 Thornton Avenue
Burbank, CA 91504

and

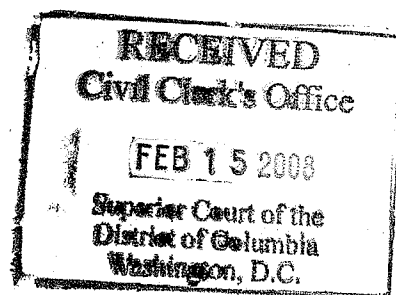
UNKNOWN DEFENDANT ASSIGNEES,

Defendants.

Civil Action No.

0001169-08

JURY TRIAL DEMANDED



VERIFIED COMPLAINT

Action Involving Real Property

1. Plaintiff, Willie Howard, brings this action to seek redress against abusive mortgage refinancing practices that have jeopardized his home. Collectively, defendants targeted Mr. Howard, took advantage of his illiteracy and lack of sophistication in financial matters, and induced him to enter into unsuitable loans that did not substantially benefit him in violation of District of Columbia law. Defendants Equitable Mortgage Group, Inc. ("Equitable"), Mortgage Discounters, Inc., d/b/a Premier Funding Group ("Premier"), and Countrywide Home Loans, Inc. ("Countrywide") solicited Mr. Howard and induced him to refinance his home four times in less than two years. Collectively, these and prior refinances, with their attendant fees, costs, prepayment penalties, and negative amortization increased the mortgage debt on Mr. Howard's home by over \$50,000 in less than a year and a half.

2. Mr. Howard — a 65-year-old laborer who is illiterate — was repeatedly promised low payments and a fixed rate mortgage on his home in Northeast Washington, the first home he has ever owned. Instead of the promised fixed-rate loans, he was sold a series of increasingly complex and risky mortgage products — including payment option adjustable rate mortgages -- that were ill-suited to a person on the eve of retirement; did not provide him a substantial benefit; and jeopardized his home ownership by increasing the balance on his mortgage every day.

3. Plaintiff's District of Columbia claims arise under the District of Columbia Consumer Protection Procedures Act ("CPPA") D.C. Code § 28-3901 *et seq.* which protects consumers against unfair and deceptive trade practices. Among other things, the CPPA prohibits mortgage lenders from making loans if there is a reasonable probability a consumer cannot repay, making loans from which the consumer does not receive a substantial benefit, and taking

advantage of a person's illiteracy. D.C. Code 28-3904(r) (1), (2) & (3). Among other claims asserted here, Mr. Howard alleges that the "no-income, no asset" loan program under which Countrywide approved his mortgage with full knowledge that he had no income is an unfair and deceptive trade practice under the CPPA.

4. Plaintiff also asserts claims against defendants IndyMac Home Loans, Inc. ("IndyMac") and Washington Mutual Bank ("WaMu") and any other defendant assignee of the IndyMac and AMPRO mortgages based on violations of the federal Truth in Lending Act, 15 U.S.C. §1601, *et seq.* ("TILA") and a corollary D.C. statute, D.C. Code § 28-3301 *et seq.*

JURISDICTION

5. Jurisdiction of this Court is founded upon sections 11-921, 28-3905(k), 28-3314, and 13-423 of the D.C. Code.

PARTIES

6. Plaintiff Willie Lee Howard resides at 227 34th St. NE, Washington, D.C. 20019.

7. Defendant Countrywide Home Loans, Inc. ("Countrywide") is located at 4500 Park Granada, Calabasas, California 91302. Defendant Countrywide Home Loans is a licensed mortgage lender in the District of Columbia.

8. Defendant, Mortgage Discounters, Inc., d/b/a/ Premier Funding Group ("Premier") is a Virginia corporation located at 7535 Little River Turnpike, Annandale, VA 22203. Premier is licensed in the District of Columbia and regularly solicits and brokers residential mortgage loans to D.C. homeowners.

9. Defendant Equitable Mortgage Group, Inc. ("Equitable") is a Maryland corporation whose place of business is 7305 Baltimore Avenue, Suite 207, College Park, Maryland 20740. Equitable is licensed as a mortgage broker in the District of Columbia.

10. Defendant IndyMac Bank F.S.B. ("IndyMac") is a federally chartered savings bank located at 888 East Walnut Street, Pasadena CA 19901 that regularly originates and purchases loans secured by homes in the District of Columbia.

11. Defendant Washington Mutual Bank, F.S.B. ("WaMu") is a federal savings bank located at 1201 Third Avenue, Seattle, WA 98101 that regularly originates and purchases loans secured by homes in the District of Columbia.

12. Defendant William Mason is a mortgage broker for defendant Equitable. His business address, on information and belief, is 7305 Baltimore Avenue, Suite 207, College Park, Maryland. Mr. Mason regularly solicits and brokers mortgage loans to D.C. homeowners.

13. Defendant WMC Mortgage Corporation ("WMC") is a California mortgage lender located at 3100 Thornton Ave, Burbank, CA 91504 that regularly originates and purchases loans secured by homes in the District of Columbia.

14. The identities of the assignees of Mr. Howard's mortgages are unknown at this time. On information and belief, Mr. Howard's mortgages were securitized and assigned to currently unknown trusts and purchased by unknown investors. These entities are collectively referred to as the "Defendant Assignees".

FACTS

15. Willie Lee Howard bought his first home at 227 34th St. NE, Washington, DC 20019 with HUD assistance in 2000. Mr. Howard, a 65-year old African-American, currently continues to work as a construction site laborer despite his age.

16. Mr. Howard grew up as one of 14 children of sharecroppers in rural Snow Hill, North Carolina. He occasionally attended school as a child, but his father pulled him out of

school entirely after seventh grade to farm full-time. Mr. Howard cannot read or write and unabashedly states this fact.

17. Mr. Howard sharecropped in North Carolina until the mid-1960s when he moved to Washington, D.C. and began working as a laborer on construction sites.

18. Mr. Howard worked for over 15 years for Newnan Enterprises as a construction site laborer. His employment at Newnan ended in the summer of 2006 because Newnan Enterprises closed entirely. Mr. Howard was out of work from the summer of 2006 until November, 2006, when he obtained his current position as a laborer at Davis Construction Company.

19. Mr. Howard currently earns \$15.89 an hour as a laborer at Davis Construction. Despite his age, he works overtime as much as possible to maximize his income to pay his mortgage.

20. Mr. Howard elected not to begin receiving his Social Security payments at age 65 in order to maximize his benefits. Mr. Howard does not have a pension.

21. Mr. Howard plans on retiring in the summer of 2008. According to the Social Security Administration, when Mr. Howard begins receiving his benefits in the summer of 2008, the payments will be well under \$1500 a month.

22. Mr. Howard purchased his 963 square foot, 2 bedroom, 1 bath home in Northeast DC in May of 2000 for \$107,914.00 with a HUD-subsidized loan.

23. Over the last four years, Mr. Howard was repeatedly solicited with telephone calls and mailings to refinance the mortgage on his home. The representations and promises made in these solicitations were particularly attractive to Mr. Howard because of his desire to have a fixed rate mortgage that would be affordable on his Social Security retirement income.

24. Each of Mr. Howard's four most recent refinancings was the result of repeated telephone solicitations. On information and belief, Equitable and Premier initiated three of the four refinances, all of which occurred in the seventeen months between June of 2005 and November of 2006. Mr. Mason, a loan officer who currently works for Equitable but who has ties to Premier, called Mr. Howard repeatedly over this time period, each time telling him he could help Mr. Howard obtain a lower payment and/or a fixed rate. The final refinancing in October 2006 was originated by Countrywide through a telephone solicitation in which Countrywide told Mr. Howard that his mortgage would soon adjust and that Countrywide could provide him with a lower fixed rate.

25. In conjunction with each of his refinancings, Mr. Howard told each person with whom he dealt in person or presented him paperwork that he could not read.

Summary of Loan Terms June, 2006 – November, 2006

			Total points, fees, PPP's, negative amortization
As of June 1, 2005	<u>Prior Mortgage¹</u>		
	Principal	\$137,234	----
June 25, 2005	<u>WMC Mortgage</u>		
	Principal	\$ 151,500.00	
	Interest	6.15%	
	Yield Spread Prem.	----	
	Points, fees, costs	9,258.00	
	Prepayment penalty and/or Negative amortization	2,304.00	\$11,562.00
Dec. 7, 2005	<u>IndyMac Mortgage</u>		
	Principal	\$ 164,000.00	
	Interest	1.25% teaser-13.5%	
	Yield Spread Prem.	3,895.00	
	Points, fees, costs	7,830.00	
	Prepayment penalty and/or Negative amortization	6,763.00	\$14,593.00
May 26, 2006	<u>AMPRO/WAMU Mortgage</u>		
	Principal	\$ 202,500.00	
	Interest	1% teaser – 9.5%	
	Yield Spread Prem.	4,556.00	
	Points, fees, costs	8,789.00	
	Prepayment penalty and/or Negative amortization	3,394.00	\$12,191.00
October 26, 2006	<u>Countrywide Mortgage</u>		
	Principal	\$ 238,500.00	
	Interest	6.626%-11.625%	
	Yield Spread Prem.	----	
	Points, fees, costs	12,606.00	
	Prepayment penalty and/or Negative amortization	---	\$12,606.00
TOTAL HOME EQUITY LOST			\$ 50,952.00

¹ This mortgage, on which Mr. Howard paid a \$923 prepayment penalty, is not a subject of this Complaint.

June 2005 Refinance: WMC Mortgage

26. In the summer of 2005, Mr. Howard had a mortgage on his home of approximately \$137,000. He was solicited over the telephone for a refinance of his mortgage through Premier. The Premier representative, who was, on information and belief, Mr. Mason, told Mr. Howard that it was time to refinance his home to avoid the mortgage adjusting and that he could get Mr. Howard into lower monthly payments. In fact, Mr. Howard's previous adjustable rate mortgage was not scheduled to reset until February 2007.

27. Mr. Howard provided documentation of his income and bank accounts. Mr. Howard was told to drive to a location off Kenilworth Avenue near Greenbelt to close the loan.

28. Mr. Howard's new loan was not the fixed rate product he was promised. Instead, the new lender, WMC Mortgage Company extended Mr. Howard a complex, 30 year mortgage that charged interest only, at adjustable rates for the first 5 years, after which the principal and interest were charged.

29. While the WMC mortgage had an initial payment of only \$741, the payment was destined to rise to \$1120 within twenty-four months. The principal amount of the new loan was \$151,500. Mr. Howard paid \$9,257.77 in fees and costs to settle the loan. In addition, he had to pay a \$923 prepayment penalty to repay his previous loan. The WMC loan also provided that he would have to pay a significant prepayment penalty if he paid off the WMC mortgage less than two years after its origination.

December 7, 2005 Refinance: IndyMac

30. In the winter of 2005, Mr. Howard was solicited over the telephone for another refinance of his mortgage through Mr. Mason of Equitable. Mr. Mason told Mr. Howard that he needed to refinance before the rate on his mortgage increased. Again, there were promises of

lower payments and fixed rates. In reality, Mr. Howard's previous adjustable rate mortgage was not scheduled to reset until July 2007.

31. An Equitable employee came out to Mr. Howard's home and completed a Loan Application. This Application erroneously represents that Mr. Howard had 16 years of education. Mr. Howard provided documentation of his income and bank accounts.

32. On information and belief, Mr. Howard settled this loan at Equitable's offices in College Park, Maryland on December 7, 2005. The lender on the loan was IndyMac Bank. The new principal on the mortgage jumped to \$164,000, which included over \$7,829.89 in fees and charges as well as a prepayment penalty for early payoff of his previous WMC loan. Indeed, the payoff for that loan was \$153,804.28, over \$2000 more than the initial principal on the WMC mortgage originated only six months earlier.

33. Equitable was paid a yield spread premium of \$3895 by IndyMac. A "yield spread premium" is a premium the lender pays to the broker, which is paid for by the borrower in the form of a higher interest rate. The "yield spread premium" is typically higher when the broker delivers a loan with a prepayment penalty to the lender.

34. Mr. Howard's new loan was not a fixed rate mortgage but an IndyMac Bank Payment Option ARM. Under the terms of the loan, the initial teaser rate of 1.25% was effective for less than two months, after which it adjusted according to an index every month with a 9.5% interest rate cap. Thus, less than two months into the loan, when the teaser rate expired, the actual interest rate charged on Mr. Howard's mortgage rose from 1.25% to 6.58%.

35. The 1.25% initial teaser rate was used to calculate Mr. Howard's monthly payment, creating the illusion that the loan would bear a 1.25% interest rate for the full term, rather than the actual rate. In fact, because the teaser rate evaporated less than two months into

the loan, interest accrued each month thereafter at the higher, adjustable rate. However, the minimum payment IndyMac required to be paid for the first year—\$621.03 including taxes and insurance—only prevented the loan from going into default. In this “payment option” ARM, Mr. Howard was given the “choice” each month of four payment options. Because this \$621.03 minimum payment—the one Mr. Howard was quoted at closing — was not even sufficient to pay the interest that accrued each month, the shortfall was added to the outstanding principal, making the loan negatively amortize. The fully amortizing payments on the IndyMac mortgage would have been \$1215 a month.

36. The IndyMac loan also imposed a prepayment penalty if Mr. Howard paid off the mortgage less than three years after its origination.

37. IndyMac provided various documents and paperwork at closing, including a Truth in Lending Disclosure Statement. Attached as Exhibit A. The Truth in Lending disclosure, however, does not indicate how often the payments are to be made.

May 26, 2006 Refinance: AMPRO/WaMu

38. In May of 2006—only five months after his previous refinance — Mr. Howard was solicited over the telephone for yet another refinance of his mortgage through Premier Funding. Mr. Howard was again told that it was time to refinance his home to avoid the mortgage adjusting and that he could qualify for lower monthly payments that would be fixed to give Mr. Howard some security as he approached his retirement years. In fact, Mr. Howard’s previous mortgage was not scheduled to adjust until February 2007.

39. Mr. Howard again provided full documentation of his income and bank accounts. Again, he was instructed to drive to a location off Kenilworth Avenue in Greenbelt to close the loan.

40. Mr. Howard closed his new loan on May 26, 2006. The originating lender on the loan was AMPRO Mortgage. The principal amount owing jumped to \$202,500, including \$8796.69 in fees and charges as well as a yet undetermined prepayment penalty to repay his previous IndyMac loan. AMPRO paid a yield spread premium to Premier of \$4556.

41. Mr. Howard's new loan was another Payment Option ARM—not the fixed rate product he was promised. Under the terms of the loan, Mr. Howard was charged an initial interest rate of 1%, which was only effective for approximately two months, after which it adjusted according to an index every month with a 9.95% interest rate cap. Thus, two months into the loan, when the teaser rate expired, the actual interest rate charged on Mr. Howard's loan rose from 1% to 7.82%.

42. The 1% initial teaser rate was used to calculate the monthly payment, creating the illusion that the loan would bear a 1% interest rate for the full term, rather than the actual rate. The minimum payment required to be paid for the first year—\$651 which did not include taxes and insurance—only prevented the loan from going into default. In this “payment option” ARM, Mr. Howard was given the “choice” each month of four payment options. The \$651 minimum payment—the one he was quoted at closing—was not sufficient to pay the interest accruing each month, so the shortfall was added to the outstanding principal, making the loan negatively amortize. During the five-month life of Mr. Howard's AMPRO mortgage, the principal amount required to repay the loan increased by more than \$3000. The fully amortizing payment on the mortgage AMPRO made to Mr. Howard was \$1549.48 a month.

43. AMPRO provided various documents and paperwork at closing, including the TILA required Notices of Right to Cancel and a TILA disclosure statement. Attached as Exhibit B & C. The Notices of Right to Cancel provided by AMPRO fail to provide a date on which the

right to cancel expired. The TILA disclosure significantly understated the Finance Charge; significantly understated the Annual Percentage Rate ("APR") on the mortgage as 1.055%; and failed to provide an accurate disclosure of the Schedule of Payments.

44. On information and belief, AMPRO assigned Mr. Howard's mortgage to WaMu.

October 26, 2006 Refinance: Countrywide

45. In the fall of 2006, Mr. Howard was solicited over the telephone for yet another refinance of his mortgage by Countrywide. Mr. Howard told the telemarketer that he had been unemployed for three months and had no income. The telemarketer told him that would not be a problem and that Mr. Howard would be able to get a fixed rate loan with lower payments of around \$740 a month. Anxious to stabilize his monthly obligations before retirement, Mr. Howard agreed to apply for the loan.

46. A Countrywide employee came to Mr. Howard's house to complete the Loan Application. Countrywide did not ask Mr. Howard for his tax returns, bank statements, W-2's, or any other documentation of his income. Mr. Howard told the Countrywide employee he could not read.

47. Although Mr. Howard did not ask for cash out as part of the refinancing, he was told that the funds would come out of the equity in his house anyway so he should take it. Although he did not understand this, Mr. Howard agreed and ultimately received nearly \$20,000 in cash out at settlement.

48. Shortly thereafter, the Countrywide employee called Mr. Howard. He told him that his payment would not be lower but that it would only go up by about \$30.00. Mr. Howard agreed.

49. Mr. Howard's mortgage was evaluated according to what are known as "no income, no asset" ("NINA") documentation guidelines. Under the NINA program, Countrywide personnel were permitted to submit, approve, and originate mortgages based on a Loan Application in which no income or assets are stated or documented. Mr. Howard's Loan Application with Countrywide indicates that his income is \$00.00

50. Countrywide sent an appraiser to Mr. Howard's home. Mr. Howard paid the appraiser \$300. Mr. Howard also recalls Countrywide sending a second appraiser. Countrywide ultimately charged Mr. Howard a total of \$710 for appraisals on his home.

51. When Mr. Howard went to the Countrywide office in Tysons Corner, Virginia as instructed to close his loan, He was assured that his payments would only be \$30.00 higher than his current loan. After waiting several hours in the parking lot, Mr. Howard was shown into a back room by a female Countrywide employee he had never met to close the loan.

52. Mr. Howard told the Countrywide employee that he could not read. He orally confirmed with her that the monthly payments would not be more than \$30.00 more than his prior loan.

53. Mr. Howard's Countrywide loan was an interest-only adjustable rate loan, not the fixed rate program he had been promised. Because of the negative amortization in his prior IndyMac loan and the \$12,606 he paid in fees to finalize the Countrywide mortgage, the principal amount jumped to \$238,500. Initial monthly interest payments on the Note were \$1706.37 a month including taxes, insurance and private mortgage insurance—almost one thousand dollars more per month than the amount he was promised. As of the date of settlement, payments at the fully indexed rate on the Countrywide loan would have been approximately \$2,154.

54. Mr. Howard did not learn that the actual amount of his monthly payment was not the \$770 he was promised until he received his first statement. He called the Countrywide employee who had come to his home. The employee said that he had been unable to qualify Mr. Howard for program he applied. He told him not to worry because Countrywide could refinance him again in five or six months.

55. Never having requested the \$20,000 cash out, Mr. Howard turned these funds over to counsel in 2007. These funds, in addition to a monthly contribution by Mr. Howard, are currently being used to keep Mr. Howard's mortgage payment current.

Origination and Assignment of Mr. Howard's Mortgages

56. On information and belief, Mr. Howard's mortgages were securitized and assigned to currently unknown trusts and purchased by unknown investors ("Defendant Assignees").

57. On information and belief, the complex, unaffordable, and unconscionable mortgages extended to Mr. Howard were based on mortgage products and documentation and underwriting guidelines created by Defendants Countrywide, IndyMac, WaMu, and WMC and their Defendant Assignee secondary market partners, all of whom promoted, underwrote and ultimately paid incentives to employees or brokers for each of the loans at issue.

COUNT I

**Violation of the CCPA by Countrywide and Defendant Assignees:
No-Income No-Asset Loans Violate CPPA**

58. Plaintiff realleges and incorporates by reference each and every allegation of paragraphs 1- 57 above.

59. The District of Columbia, in order to protect consumers from unfair and misleading business practices and to provide consumers with proper redress of grievances, enacted the Consumer Protection Procedures Act ("CPPA"), D.C. Code §28-3901, *et seq.*

60. The CPPA applies to consumer credit loans secured by residential property.

61. Any consumer who suffers damages as a result of violations of the CPPA may bring an action and recover treble damages, attorneys' fees, punitive damages and other appropriate relief.

62. Defendants Countrywide and its Defendant Assignees made, funded, and securitized an unconscionable loan to Mr. Howard in violation of D.C. Code 28-3904(r)(1), which prohibits the making loans without regard to the borrower's ability to repay the loan. D.C. Code § 28-3904(r).

63. "No income, no asset" or NINA loans are extended without consideration of income or assets. The Income and Asset sections of the borrower's Residential Loan Application are either left blank or filled out with zeros, as \$00.00.

64. Defendants Countrywide's and its Defendant Assignees' practice of originating, funding, and securitizing mortgages without consideration of income and in fact, here, with knowledge that Mr. Howard had no income, is an unfair and deceptive practice under the CPPA.

65. Defendants Countrywide's and its Defendant Assignees' violations of the CPPA were intentional, willful and wanton and justify the imposition of treble and punitive damages as well as attorneys' fees and costs.

COUNT II

Violations of the CPPA by Defendants

**Equitable Mortgage, Premier Funding, WMC Mortgage, IndyMac Bank,
Washington Mutual, William Mason, Countrywide and Defendant Assignees**

66. Plaintiff realleges and incorporates by reference each and every allegation of paragraphs 1-65 above.

67. Defendants solicited, brokered and extended complex and unconscionable loans to Mr. Howard in violation of D.C. Code 28-3904(r) in that they, *inter alia*:

- a. refinanced Mr. Howard's mortgage loans without providing him substantial benefits. D.C. Code § 28-3904(r)(2). Indeed, each of the refinancings worked to Mr. Howard's substantial detriment—among other things, causing him to pay some combination of substantial costs and fees, prepayment penalties, and/or negative amortization;
- b. extended mortgage loans to Mr. Howard with knowledge that there was no reasonable expectation he would be able to repay the mortgages as structured, in violation of D.C. Code §28-3904(r)(1);
- c. knowingly took advantage of Mr. Howard's inability to protect his own interests by reason of his illiteracy, lack of sophistication, and other factors, in violation of D.C. Code §28-3904(r)(5).

68. Defendants committed unlawful trade practices under D.C. Code § 28-3904 by, *inter alia*:

- a. Materially misrepresenting the benefits to Mr. Howard of refinancing his home mortgages and the terms of the mortgages in violation of § 28-3904(e);

- b. Materially misrepresenting that the mortgages would have fixed rates, in violation of § 28-3904 (a) & (e);
- c. Failing to state material facts regarding the escalating adjustable rate payments that were imposed under the terms of the Payment Option ARM and interest only ARM mortgages they sold Mr. Howard, in violation of § 28-3904(f);
- d. Materially misrepresenting to Mr. Howard that the rates on his current mortgages were about to adjust upward when those adjustments were not due to occur for many more months, in violation of § 28-3904(a) & (e);
- e. Failing to inform Mr. Howard that refinancing the mortgages with prepayment penalties prior to the expiration of the penalty period would cost him thousands of dollars, in violation of § 28-3904(f);
- f. Promising Mr. Howard that his monthly payments would go down when, in fact, the monthly payments were scheduled to go to higher and unaffordable levels, in violation of § 28-3904(a) & (e);
- g. Failing to tell Mr. Howard that the payment option ARM products they sold him would add to the principal balance on his mortgage, in violation of § 28-3904(f).

69. Defendants' violations of the CPPA were intentional, willful and wanton and justify the imposition of treble and punitive damages as well as attorneys' fees and costs.

COUNT IV
Violations of the Truth in Lending Act by
IndyMac Bank, WaMu and Defendant Assignees

70. Plaintiff realleges and incorporates herein by reference each and every allegation contained in paragraphs 1-69 above.

71. At all times relevant hereto, IndyMac and AMPRO, in the ordinary course of their business, regularly extended or offered to extend consumer credit for which a finance charge is or may be imposed or which, by written agreement, is payable in more than four installments.

72. At all times relevant hereto, IndyMac and AMPRO were creditors within the meaning of the Truth in Lending Act ("TILA"), 15 U.S.C. §1602(f) and Regulation Z §226.2(a)(17).

73. On information and belief, WaMu is the assignee of the loan originated by AMPRO.

74. TILA and Regulation Z mandate that all closed end consumer loans be accompanied by a Truth in Lending disclosure of material terms. TILA, 15 U.S.C. §1638, 1639; 12 C.F.R. §226.18. Notice that the borrower has 3-business days to cancel the mortgage is one of the material disclosures required by TILA. 12 C.F.R. §226.23

75. IndyMac's TILA disclosure failed to include material terms, namely the frequency of payments.

76. AMPRO's Notice of Right to Cancel violated TILA in that it failed to disclose the date on which the right to cancel expires.

77. In addition, AMPRO's TILA disclosure materially violated TILA in that it significantly understated the Annual Percentage Rate ("APR") on the mortgage as 1.055%; significantly understated the Finance Charge; and failed to provide an accurate disclosure of the Schedule of Payments.

78. Assignees of mortgages are liable for rescission under TILA. 15 U.S.C. §1641(c).

79. Accordingly, Defendants IndyMac's and AMPRO's violations of TILA entitle plaintiff to rescission as to the creditors and any defendant assignees under 15 U.S.C. §1635 as

well as statutory damages under 15 U.S.C. §1640, costs and attorneys' fees pursuant to 15 U.S.C. §1640.

COUNT V
Violations of D.C Usury Law by
IndyMac Bank and Defendant Assignees

80. Plaintiff realleges and incorporates herein by reference each and every allegation of paragraphs 1-79 above.

81. Defendant IndyMac's failure to deliver material disclosures also violates D.C. Code §28-3301(f)(3), entitling plaintiff to actual and punitive damages and attorneys' fees pursuant to D.C. Code §28-3314.

COUNT VI
Violation of the CPPA by
IndyMac, Washington Mutual, and Defendant Assignees

82. Plaintiff realleges and incorporates herein by reference each and every allegation of paragraphs 1-81 above.

83. IndyMac and WaMu, acting in concert with unknown Defendant Assignees, through their actions in promoting, underwriting and ultimately funding the plaintiff's loans, violated the CPPA by:

- a. Paying yield spread premiums and/or other financial incentives to brokers and lenders to originate loans to borrowers such as plaintiff with unconscionable prepayment penalties;
- b. Paying yield spread premiums and/or other financial incentives to brokers and lenders to originate payment option ARM's that are underwritten, if at all, to a teaser rate that expires shortly after the loan

is originated so that borrowers like plaintiff will be forced to refinance or go into default because of the inability to repay;

- c. Paying yield spread premiums and/or other financial incentives to brokers and lenders to originate payment option ARM's whose negative amortization will erode the equity in the homes of borrowers such as plaintiff.

84. Defendants' violations of the CPPA were intentional, willful, and wanton and justify the imposition of treble and punitive damages and attorneys' fees and costs.

COUNT VII
Violation of the CPPA by
WMC Mortgage and Defendant Assignees

85. Plaintiff realleges and incorporates herein by reference each and every allegation of paragraphs 1-84 above.

86. Defendant WMC, acting in concert with unknown Defendant Assignees, through their actions in promoting, underwriting and ultimately funding the plaintiff's loan, violated the CPPA by paying financial incentives to originate loans to borrowers such as plaintiffs with unconscionable prepayment penalties.

87. Defendants' violations of the CPPA were intentional, willful, and wanton and justify the imposition of treble and punitive damages and attorney's fees and costs.

COUNT VIII
Violation of the CPPA by
Countrywide and Defendant Assignees

88. Plaintiff realleges and incorporates herein by reference each and every allegation of paragraphs 1-87 above.

89. Countrywide, acting in concert with unknown Defendant Assignees, through their actions in promoting, underwriting and ultimately funding the plaintiff's loan violated the CPPA by paying financial incentives to originate loans under "no income, no asset" guidelines.

90. Defendants' violations of the CPPA were intentional, willful, and wanton and justify the imposition of treble and punitive damages and attorney's fees and costs.

PRAYER FOR RELIEF

WHEREFORE, in light of the foregoing, plaintiff Willie Howard respectfully requests that this Court:

- a. award actual damages in an amount to be determined at trial;
- b. award treble damages;
- c. award punitive damages in an amount to be determined at trial;
- d. award attorneys' fees;
- e. award reasonable costs of this action;
- f. declare plaintiff entitled to rescind his IndyMac and AMPRO mortgages;
pursuant to 15 U.S.C. §1635 and §1641(c);
- g. award such other and further relief as this Court deems just and proper.

JURY DEMAND

Plaintiff demands a jury trial on all issues.

Respectfully submitted,

Jean Constantine-Davis /s/

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Jonathan Zucker /s/

Jonathan Zucker # 384629

jonathanzucker@aol.com

Patricia Daus #412174

pdaus2@covad.net

514 10th Street, NW

Washington, DC 20004

(202) 624-0784

Attorneys for Plaintiff Willie Lee Howard

VERIFICATION OF WILLIE LEE HOWARD

I, Willie Lee Howard, verify under penalty of perjury that the allegations contained in the foregoing VERIFIED COMPLAINT were read to me and are true and correct to the best of my knowledge, information and belief.

Willie Lee Howard

Willie Lee Howard

DISTRICT OF COLUMBIA, ss:

SUBSCRIBED AND SWORN TO before me this 13th day of February, 2008.

Barbara J. Johnson

NOTARY PUBLIC

My Commission Expires:

Barbara J. Johnson
Notary Public, District of Columbia
My Commission Expires 4/30/2011

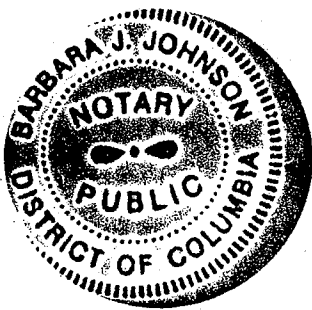


EXHIBIT A

TRUTH IN LENDING DISCLOSURE STATEMENT

DATE: December 7, 2005

LOAN #: 122391929

CREDITOR: IndyMac Bank, F.S.B.

LOAN PROGRAM:

NAME OF BORROWER(S): Willie Lee Howard

IndyMac-WS: (ID12MAT) 12 MAT ARM

MAILING ADDRESS: 227 34th Street NE, Washington, DC 20019

PROPERTY ADDRESS: 227 34th Street NE, Washington, DC 20019

ANNUAL PERCENTAGE RATE The cost of your credit at a yearly rate	FINANCE CHARGE The dollar amount the credit will cost you	AMOUNT FINANCED The amount of credit provided to you or on your behalf	TOTAL OF PAYMENTS The amount you will have paid after you have made all payments as scheduled
6.781%	\$ 247,165.84	\$ 158,854.11	\$ 406,019.95

Your payment schedule will be:

Construction ☐ If checked, this loan provides for interest-only payments during the construction period. Beginning
Loan: you will make periodic interest-only payments during the construction period, followed by payments of principal and interest as scheduled below.

Number of Payments	Amount of Payments	When Payments Are Due	Number of Payments	Amount of Payments	When Payments Are Due	Number of Payments	Amount of Payments	When Payments Are Due
12	546.53	02/01/2006						
12	587.52	02/01/2007						
12	631.58	02/01/2008						
12	678.95	02/01/2009						
5	729.87	02/01/2010						
306	1,215.11	07/01/2010						
1	1,211.98	01/01/2036						

Demand Feature: ☒ This loan does not have a Demand Feature. ☐ This loan has a Demand Feature.

Variable Rate: ☒ If checked, this loan contains a variable rate feature. Disclosures about the variable rate feature were provided to you earlier.
Assumption: Someone buying your property ☐ cannot, unless otherwise provided by federal law, ☒ may, subject to conditions, be allowed to assume the remainder of the loan on the original terms.

Security: You are giving a security interest in the property located at: 227 34th Street NE, Washington, DC 20019
You are giving a security interest in: **Your Property.**

Late Charge: If a payment is not received by the end of 15 days after the date it is due, you will be charged 5.00 % of the overdue payment.

Prepayment: If you pay this loan early you ☒ may ☐ will not have to pay a penalty. If you pay off an FHA insured loan, on a date other than the regular installment date, you may be assessed interest charges until the end of the month. You ☐ may be or ☒ will not be entitled to a refund of part of the finance charge.

Deposit: ☐ If checked, the annual percentage rate does not take into account your required deposit.

Property Insurance: Property insurance is required on this loan. Flood insurance may be required if the property is located in an area designated as an area having special flood hazards. You may obtain property insurance and, if required, flood insurance from anyone you want that is acceptable to Creditor.

Filing Fee: \$ 200.00

(e)

"e" means estimate

See your contract documents for any additional information about non-payment, default, any required payment in full before the scheduled date, and any prepayment refunds.
☐ all dates and numerical disclosures except the late payments disclosures are estimates

The undersigned hereby acknowledge receipt of a completed copy of this Disclosure, and if this loan has a Variable Rate feature, a copy of an Adjustable/Variable Rate Loan Program Disclosure along with a copy of The Consumer Handbook on Adjustable Rate Mortgages (CHARM Booklet). The undersigned understand that this is not a contract or a loan commitment.

Willie Lee Howard 12/7/05
Willie Lee Howard (Borrower) (Date)

(Borrower) (Date)

(Borrower) (Date)

(Borrower) (Date)

NOTE: Payments shown above do not include reserve deposits for taxes, property or flood insurance.

Truth in Lending Disclosure Statement (Multistate)
IndyMac Bank, F.S.B.

December 7, 2005 16:31:10

Page 1 of 1

I = 3.4780

M = 3.100

82001MU 11/00

EXHIBIT B

NOTICE OF RIGHT TO CANCEL

Loan Number: 5010084896

Borrowers: WILLIE L HOWARD

Property Address: 227 34TH STREET NE, WASHINGTON, DISTRICT OF COLUMBIA 20019

YOUR RIGHT TO CANCEL

You are entering into a transaction that will result in a mortgage, lien or security interest on or in your home. You have a legal right under federal law to cancel this transaction, without cost, within three business days from whichever of the following events occurs last:

1. the date of the transaction, which is MAY 26, 2006 ; or
2. the date you receive your Truth in Lending disclosures; or
3. the date you receive this notice of your right to cancel.

If you cancel the transaction, the mortgage, lien or security interest is also cancelled. Within 20 calendar days after we receive your notice, we must take the steps necessary to reflect the fact that the mortgage, lien or security interest on or in your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

HOW TO CANCEL

If you decide to cancel this transaction, you may do so by notifying us in writing, at
AMPRO MORTGAGE, A DIVISION OF UNITED FINANCIAL MORTGAGE CORP
5772 PEACHTREE DUNWOODY RD., SUITE C-120
ATLANTA, GEORGIA 30342

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than midnight of _____
(or midnight of the third business day following the latest of the three events listed above). If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I WISH TO CANCEL.

Consumer's Signature _____ Date _____
WILLIE L HOWARD

ACKNOWLEDGMENT OF RECEIPT

EACH OF THE UNDERSIGNED HEREBY ACKNOWLEDGES THE RECEIPT OF TWO (2) COMPLETED COPIES OF THIS NOTICE OF RIGHT TO CANCEL.

Willie L Howard 05 26 06
WILLIE L HOWARD _____ Date

EXHIBIT C

FEDERAL TRUTH-IN-LENDING DISCLOSURE STATEMENT
(THIS IS NEITHER A CONTRACT NOR A COMMITMENT TO LEND)

Loan Number: 5010084896 Date: MAY 26, 2006
 Creditor: AMPRO MORTGAGE, A DIVISION OF UNITED FINANCIAL MORTGAGE CORP
 Address: 5772 PEACHTREE DUNWOODY RD., SUITE C-120, ATLANTA, GEORGIA 30342

Borrower(s): WILLIE L HOWARD

Address: 227 34TH STREET NE, WASHINGTON, DISTRICT OF COLUMBIA 20019

Lines containing an "x" are applicable:

ANNUAL PERCENTAGE RATE <small>The cost of your credit as a yearly rate</small>	FINANCE CHARGE <small>The dollar amount the credit will cost you.</small>	Amount Financed <small>The amount of credit provided to you or on your behalf.</small>	Total of Payments <small>The amount you will have paid after you have made all payments as scheduled.</small>	<input type="checkbox"/> Total Sale Price <small>The total cost of your purchase on credit including your down-payment of</small>
1.055 %	\$33,562.55	\$200,916.25	\$234,478.80	\$

PAYMENTS: Your payment schedule will be:

Number of Payments	Amount of Payment **	When Payments Are Due	Number of Payments	Amount of Payment **	When Payments Are Due	Number of Payments	Amount of Payment **	When Payments Are Due
		Monthly Beginning			Monthly Beginning			Monthly Beginning

360 651.33 08/01/06

DEMAND FEATURE: This obligation has a demand feature.

☒ VARIABLE RATE FEATURE: Your loan contains a variable rate feature. Disclosures about the variable rate feature have been provided to you earlier.

INSURANCE: The following insurance is required to obtain credit:

Credit life insurance and credit disability ☒ Property Insurance ☐ Flood Insurance ☐ Mortgage Insurance

You may obtain property insurance from any insurer that is acceptable to the Lender.

SECURITY: You are giving a security interest in: 227 34TH STREET NE, WASHINGTON, DISTRICT OF COLUMBIA

The goods or property being purchased ☒ Real property you already own. 20019

FILING FEES: \$250.00

LATE CHARGE: If payment is more than 15 days late, you will be charged 5.000% of the payment.

PREPAYMENT: If you pay off early, you

may ☒ will not have to pay a penalty.

may ☒ will not be entitled to a refund of part of the finance charge.

ASSUMPTION: Someone buying your property

may ☐ may, subject to conditions ☒ may not assume the remainder of your loan on the original terms.

See your contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date and prepayment refunds and penalties.

☒ "e" means an estimate all dates and numerical disclosures except the late payment disclosures are estimates.

Each of the undersigned acknowledge receipt of a complete copy of this disclosure. The disclosure does not constitute a contract or a commitment to lend.

Willie L Howard 052604
 Applicant WILLIE L HOWARD Date Applicant Date

Applicant Date Applicant Date

Applicant Date Applicant Date

** NOTE: Payments shown above do not include reserve deposits for taxes, assessments, and property or flood insurance.

NOTICE OF RIGHT TO CANCEL

Loan Number: 5010084896

Borrowers: WILLIE L HOWARD

Property Address: 227 34TH STREET NE, WASHINGTON, DISTRICT OF COLUMBIA 20019

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You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 calendar days of your offer, you may keep it without further obligation.

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ATLANTA, GEORGIA 30342

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I WISH TO CANCEL.

Consumer's Signature _____ Date _____
WILLIE L HOWARD

ACKNOWLEDGMENT OF RECEIPT

EACH OF THE UNDERSIGNED HEREBY ACKNOWLEDGES THE RECEIPT OF TWO (2) COMPLETED COPIES OF THIS NOTICE OF RIGHT TO CANCEL.

Willie L Howard 052606
WILLIE L HOWARD Date